



**For Immediate Release**

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**Senator Gregg: Today's \$1 Trillion Deficit is the Tip of the Iceberg**

“Only nine months into the fiscal year, the U.S. Treasury Department today announced that the federal deficit has hit \$1 trillion for the first time ever. While I wish this shocking milestone was both unexpected and temporary, it is neither. Instead, under the President’s budget passed by the Democratic Congress, this record deficit is only the tip of the iceberg.

“While a spike in government spending unfortunately has been necessary to help jump-start the economy, spending under the President’s budget shows no signs of slowing down once the recession is over. Instead, it continues to snowball due to proposed new and expanded programs that we cannot afford – such as a trillion-dollar health care reform plan – combined with the massive amount of entitlement spending we know we will face as the Baby Boomers retire. This spending will result in \$1 trillion deficits, on average, for each of the next ten years.

“Those annual budget shortfalls will be added to the debt, which is already spiraling out of control. The long-term picture is not pretty – by 2019, only 10 years from now, debt will represent 82% of GDP, a situation that our economy simply cannot sustain. This will crush our economy and the ability of future generations to have a decent quality of life.

“Our creditors are right to be concerned, and so should we. If China and other buyers of U.S. debt start backing off because of our fiscal situation, we’ll have no choice but to offer higher interest payments to keep them lending. That hits future generations twice: more debt and then higher interest rates on top of it.

“This \$1 trillion deficit should be enough to give the majority party pause about the path they are putting the nation on. Instead of using a ladder to climb out of a hole, we are using a shovel to dig a deeper one for our children and grandchildren. We should be making tough choices rather than mortgaging their future, and I hope we begin to see some signs of fiscal restraint before it’s too late.”